

Providing and protecting
Albertans' choices



AGLC

Alberta Gaming and
Liquor Commission

An Agent of the Government of Alberta



2011-2014

Business Plan

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Who we are and what we do

The Alberta Gaming and Liquor Commission (AGLC) operates under the authority of the *Gaming and Liquor Act*. Our structure includes:

- A Board consisting of seven members appointed by the government and the Chief Executive Officer (CEO). The Board reports directly to the Solicitor General and Minister of Public Security. The Board approves gaming and liquor policy to ensure Alberta's gaming and liquor industries are well regulated and managed on behalf of the people of the province. The Board ensures the powers and duties of the AGLC are appropriately carried out through the CEO. Board members, other than the CEO also conduct hearings and make decisions respecting licences and registrations.
- Management that is responsible for the ongoing operations of the organization. The CEO directs the operations of the AGLC and is supported by a seven member executive team. The CEO is also an ex-officio member of the Board. This structure facilitates clear lines of communication and ensures policy implementation is consistent with Board direction.

The AGLC's role—through our Board and management—is to administer the *Gaming and Liquor Act* and related legislation. The AGLC is responsible for regulating Alberta's charitable gaming activities (casino table games, pull-ticket sales, raffles and bingo events) and for conducting and managing provincial gaming activities (ticket lotteries and all electronic gaming devices). It also oversees the manufacture, importation, sale, purchase, possession, storage, transportation, use and consumption of liquor in Alberta. In managing its responsibilities, the AGLC continually assesses and balances revenue generation with the responsible provision of gaming and liquor.

Gaming activities contribute to Albertans' quality of life by providing opportunities to charitable groups to raise funds directly for their valuable work, by providing entertainment options to adults in Alberta, and by providing funding used by government to support volunteer, public, and community-focused initiatives. In 2009-10, charitable and religious organizations raised approximately \$323 million through licensed gaming activities under Alberta's charitable gaming model. In addition, over \$1.4 billion of gaming proceeds is provided annually to volunteer groups, public, and community-based initiatives through the Alberta Lottery Fund. In 2009-10, gross revenue from charitable gaming totalled almost \$1.4 billion while gross revenue from provincial gaming totalled almost \$23 billion.

Alberta's privatized liquor model allows Albertans access to a wide range of products. As of March 2010, a total of 23,633 liquor products were registered with the AGLC, with 15,963 products available across the province. There were 1,268 stores open on March 31, 2010. The private sector operates the retailing, warehousing, and distribution of liquor and the AGLC licenses and regulates the industry. The province receives in excess of \$715 million annually from liquor operations.

Under direction from the Solicitor General and Minister of Public Security, the AGLC has responsibility for the *Horse Racing Alberta Act*, Horse Racing Appeal Tribunal, administering the Horse Racing Alberta (HRA) Funding Agreement, and representing the Minister on the HRA Board. The AGLC also provides enforcement and investigative services related to the *Tobacco Tax Act*, the *Fuel Tax Act*, and the *Tourism Levy Act* through a Memorandum of Understanding with Alberta Finance and Enterprise. The AGLC also provides enforcement services relating to the display and advertising/promotion provisions of the *Tobacco Reduction Act* at retailer locations, through an agreement with Alberta Health Services.

Our vision

Ensuring gaming and liquor sustainability for Alberta

Our mission

Providing and protecting Albertans' choices

Our values

The AGLC is committed to our values:

Foresight:

We are aware of and take a proactive approach to shifts in social, political, economic and environmental trends.

Accountability:

We hold ourselves accountable for our decisions.

Integrity:

We are open and transparent and act with impartiality to uphold the trust of all our stakeholders.

Respect:

We value our colleagues, stakeholders and Albertans and our shared responsibilities to society and the environment.

Core Businesses

The AGLC operates in two core business sectors: liquor and gaming.

The diagram below illustrates that our activities within these sectors support the mission of providing and protecting Albertans' choices. It also shows that the AGLC's regulatory, social, and corporate responsibilities span both business sectors.



Strategic Directions

1. Implement a renewed model for how charities and communities benefit from the changing Alberta landscape.
2. Modernize and transform the gaming experience to potentially broaden the player base and grow revenues in a sustainable way.
3. Deliver services to AGLC retailers, licensees, registrants and employees through the most appropriate delivery channel (with preference given to web-based service delivery).
4. Commit to infrastructure modernization and systems innovations for Corporate Systems (information management, liquor, HR/payroll system, financial system, etc) to ensure accountability to Albertans and to protect the revenue of the Government of Alberta and charities.
5. Maintain the AGLC's reputation of being approachable and consultative in considering options / workable solutions and for fostering a culture of moderation and environmental consciousness in the gaming and liquor industries.
6. Continue to develop a relationship between the Government of Alberta and the AGLC that reflects a corporate shareholder business model.
7. Continue to build a culture where employees are empowered to actively identify, lead and implement change.

Goals, Strategies, and Performance Measures

Core Business 1: Liquor

The AGLC licenses and regulates all liquor activities in accordance with the *Gaming and Liquor Act*, regulation, other provincial and federal legislation and policy to ensure that liquor activities are conducted with integrity. The private sector operates the warehousing, distribution and retailing of liquor in Alberta.

The AGLC encourages the responsible sale and consumption of liquor.

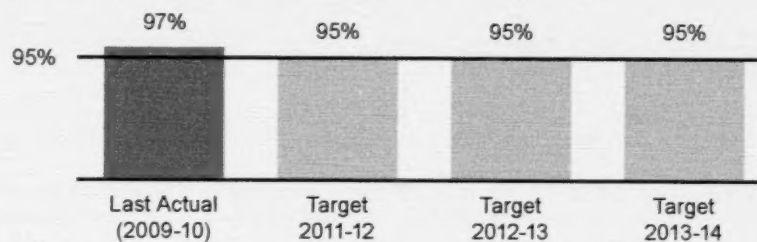
Goal 1: Maintain the integrity of Alberta's liquor industry.

Strategies:

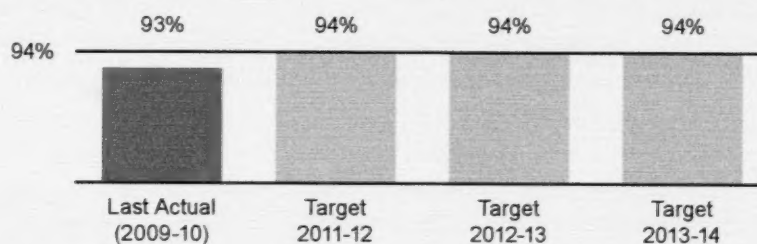
- 1.1. License and register eligible applicants in accordance with legislation and policies.
- 1.2. Conduct inspections of licensed premises.
- 1.3. Investigate and respond to all complaints and alleged violations relating to illegal liquor activities in licensed premises.
- 1.4. Register liquor products to be offered for sale in Alberta to ensure compliance with provincial and federal legislation, regulation and policy and ensure agents and suppliers are aware that they must comply with legislation, regulations and policies.
- 1.5. Review legislation and policies to ensure Alberta's liquor model continues to meet the expectations of Albertans.
- 1.6. Review liquor licensing and enforcement processes to improve organizational effectiveness and ensure integrity in the process.
- 1.7. Impose conditions on licences such as mandatory security measures where there has been or there is a potential for safety and operational concerns.

Performance Measures:

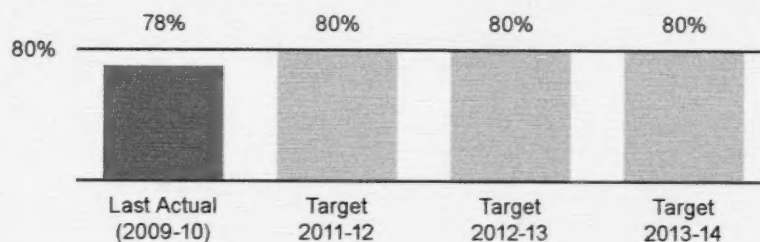
- 1.a. Percentage of liquor licensees who comply with legislation, regulation and policy.



- 1.b. Percentage of Albertans satisfied that liquor is provided in a responsible manner.



- 1.c. Percentage of Albertans satisfied with the conduct of the liquor business in Alberta.



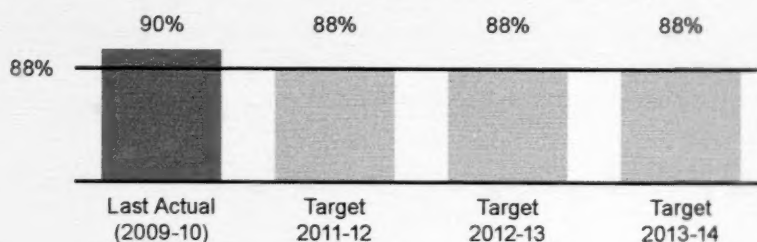
Goal 2: Encourage a culture of moderation to reduce alcohol related harms.

Strategies:

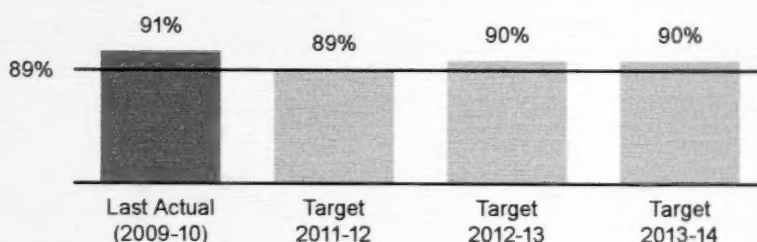
- 2.1. Deliver *ProServe* training to liquor industry staff to promote the responsible service and consumption of alcohol.
- 2.2. Deliver the *ProTect* training to liquor industry staff to reduce violence in and around licensed premises.
- 2.3. Address the causes and impacts of violence in and around licensed premises and work towards improving safety in these premises in conjunction with the Alberta Safer Bars Council.
- 2.4. Work in collaboration with the liquor industry, Alberta Health Services, government ministries and other stakeholders to promote the responsible service and consumption of alcohol through various initiatives.
- 2.5. Continue to develop an action plan and evaluation framework for the implementation of the Alberta Alcohol Strategy in partnership with Alberta Health Services.
- 2.6. Communicate low-risk drinking guidelines so that Albertans are informed about their alcohol consumption.
- 2.7. Encourage the liquor industry to establish, implement and evaluate formal standards and codes of practice that support responsible alcohol consumption.

Performance Measures:

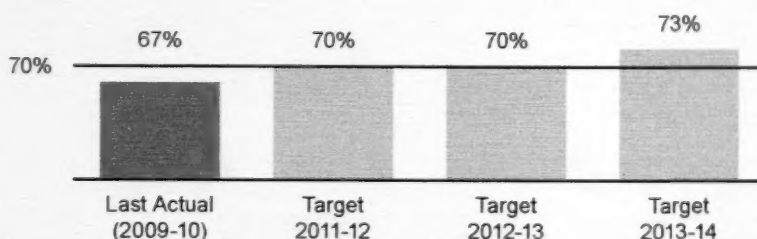
- 2.a. Percentage of Albertans aware of prevention and treatment programs for alcohol abuse.



- 2.b. Percentage of Albertans that drink alcohol in moderation.



- 2.c. Percentage of Albertans satisfied that licensed premises in Alberta are safe and responsible environments in which to consume alcohol.



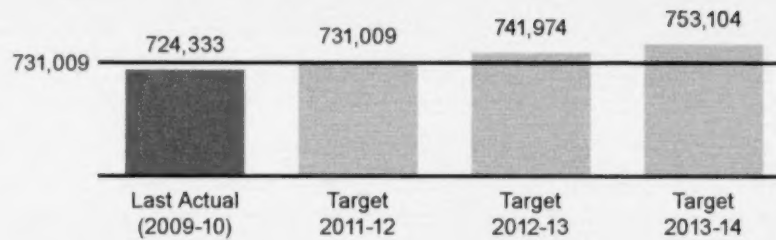
Goal 3: Sustain the province's revenue from liquor mark-up.

Strategies:

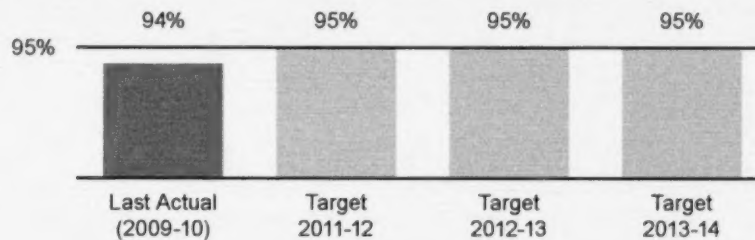
- 3.1. Take a proactive role and collaborate with liquor agents to ensure that a reasonable pre-registration business plan and an accurate forecast of liquor volume demands are in place.
- 3.2. Monitor the performance of the private warehouse operator to ensure service levels are maintained and that efficiencies achieved are reflected in the warehouse rates charged to agencies and licensees.
- 3.3. Continue to work with stakeholders to streamline and improve the efficiency of payment processes.
- 3.4. Ensure liquor imported to Alberta is compliant with Federal Customs and Excise Legislation.
- 3.5. Oversee and monitor inventory movement in liquor and beer warehouses.
- 3.6. Maintain the security and control of liquor revenue collections, treasury functions and payments.
- 3.7. Deliver services to stakeholders through the most appropriate delivery channel to enhance customer service (with a preference to online service delivery).
- 3.8. Recommend a responsive mark-up change policy to ensure liquor mark-up is reflective of overall government revenue requirements.
- 3.9. Make recommendations that will ensure that fees continue to be reflective of the costs associated with issuing liquor licences and registrations.

Performance Measures:

3.a. Liquor mark-up collected (thousands of dollars).



3.b. Percentage of liquor industry clients satisfied with the level of service provided by the AGLC.



Core Business 2: Gaming

The AGLC licenses and regulates all charitable gaming activities (casino table games, pull-ticket sales, raffles and bingo events) and conducts and manages ticket lotteries and all electronic gaming devices (slot machines, VLTs, and electronic bingo).

These activities are conducted in Alberta under the authority of the *Criminal Code* (Canada), *Gaming and Liquor Act* and Regulation, other federal and provincial legislation, and Board policy.

The AGLC is committed to ensuring that all gaming activities are conducted with integrity, delivered in a manner that encourages responsible gaming, and meet the expectations of Albertans.

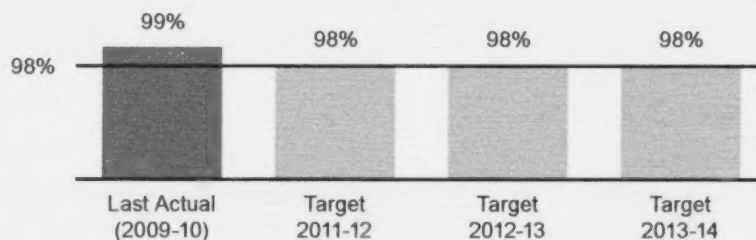
Goal 4: Uphold the integrity of Alberta's gaming activities.

Strategies:

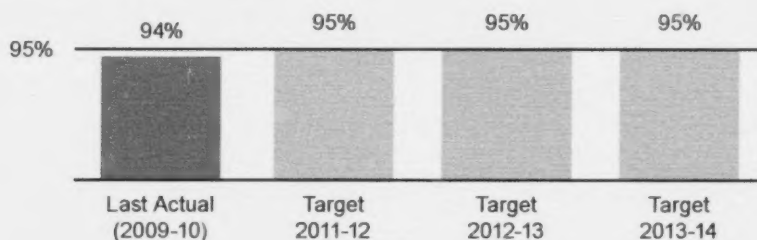
- 4.1. License eligible applicants in accordance with legislation and policies.
- 4.2. Ensure due diligence in the licensing process and eligibility review of charitable organizations for charitable gaming licences and use of proceeds.
- 4.3. Enhance applicants' and licensees' understanding of gaming legislation and policies through multiple channels, including the Gaming Information for Charitable Groups (GAIN) program.
- 4.4. Ensure charities receive all funds to which they are entitled, that the use of proceeds are reported in a timely manner, and that proceeds are used for approved purposes.
- 4.5. Investigate all complaints and alleged violations of licensed gaming events and respond to any potential illegal gambling activities.
- 4.6. Conduct due diligence investigations including complete criminal and financial background reviews for all gaming facility licensees and gaming suppliers.
- 4.7. Conduct inspections and audits of gaming licensees and events.
- 4.8. Review policies and procedures to ensure the integrity of the gaming industry is maintained.
- 4.9. Ensure the security and integrity of all electronic gaming equipment.
- 4.10. Collaborate with other jurisdictions to establish an information-sharing framework to provide mutual assistance in conducting technological, criminal and due diligence investigations.

Performance Measures:

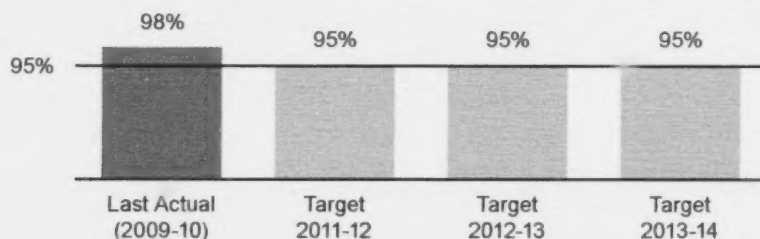
- 4.a. Percentage of charitable gaming activities conducted in accordance with legislation, regulation and policy.



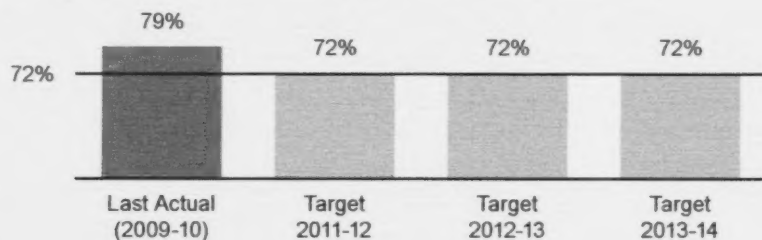
- 4.b. Percentage of Albertans satisfied that the gaming activity they participated in was provided fairly and in a responsible manner.



- 4.c. Percentage of gaming integrity issues resolved within established time frames.



- 4.d. Percentage of Albertans satisfied with the conduct of legal gaming in Alberta.



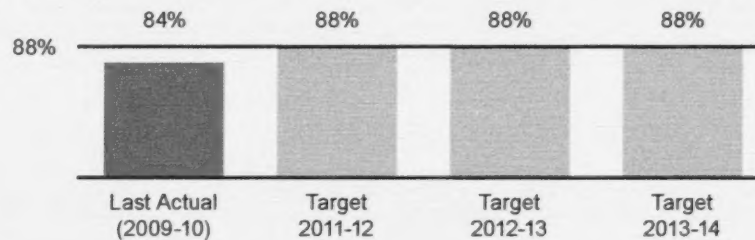
Goal 5: Encourage the development of healthy, sustainable gambling environments that minimize gambling-related harm.

Strategies:

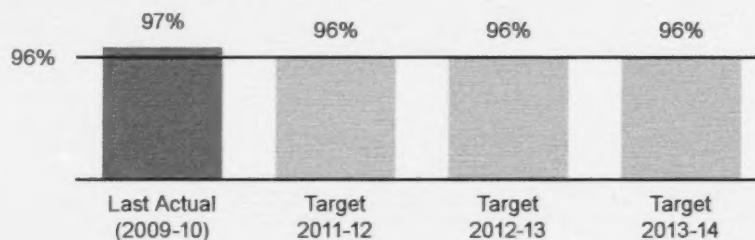
- 5.1. Develop, implement and evaluate initiatives that encourage responsible gambling in collaboration with the gaming industry, Alberta Health Services (AHS) and other stakeholders.
- 5.2. Educate and inform Albertans about responsible gambling and problem gambling to ensure they have the information to make reasonable decisions about gambling.
- 5.3. Leverage existing partnerships to expand the distribution channels for gambling-related information.
- 5.4. In collaboration with AHS, develop treatment options that meet the needs of Albertans.
- 5.5. Educate Albertans about responsible and problem gambling through Responsible Gambling Information Centres (RGICs).
- 5.6. Continue to work with the gaming industry to deliver *Reel Facts*, *Deal Us In*, and *A Good Call* training to ensure industry staff is appropriately trained in responsible and problem gambling awareness and intervention protocols.
- 5.7. Improve community knowledge and awareness of the impacts of gambling.
- 5.8. Implement the joint Responsible and Problem Gambling Strategy titled "Both Sides of the Coin" in collaboration with AHS, as approved.
- 5.9. Develop early intervention strategies to reduce the risk factors for problem gambling and programs that help problem gamblers regain control.
- 5.10. Develop an Accreditation and Awards program for gaming retailers and operators.
- 5.11. Establish an Alberta Responsible Gambling Council, if approved.
- 5.12. In collaboration with other gaming jurisdictions across Canada, develop a national approach in establishing best-practice responsible gambling programs.

Performance Measures:

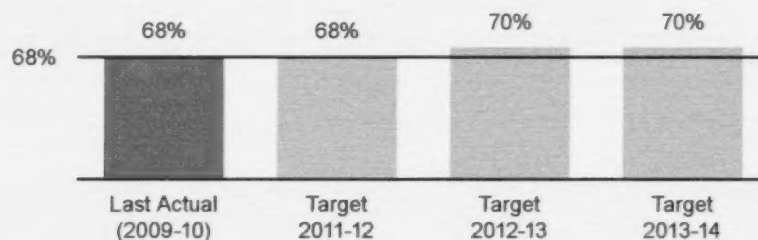
- 5.a. Percentage of Albertans aware of prevention and treatment programs for problem gambling.



- 5.b. Percentage of Albertans that gamble responsibly.



- 5.c. Percentage of Albertans satisfied that licensed gaming venues in Alberta are safe and responsible environments in which to gamble.



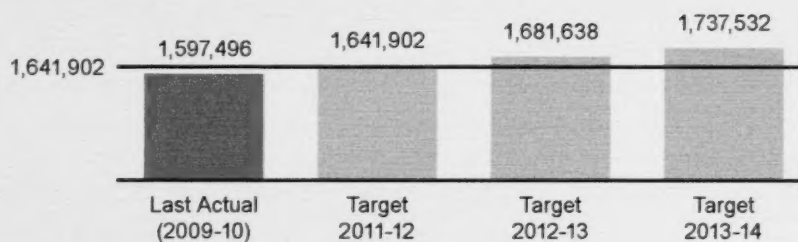
Goal 6: Sustain revenues from gaming by anticipating and responding to changes in the environment.

Strategies:

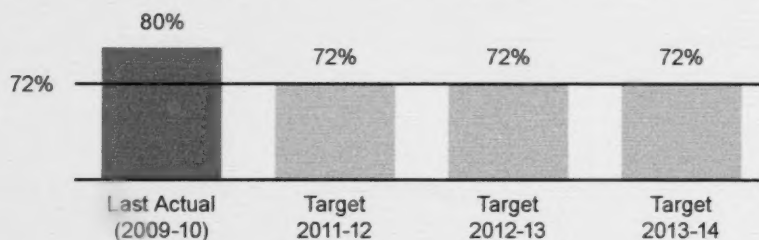
- 6.1. Enhance retailer, operator, and charity understanding of legislation, policies, and operating guidelines.
- 6.2. Ensure effective asset management for all electronic gaming terminals and other gaming equipment.
- 6.3. Provide efficient and effective service to retailers, operators, and charitable gaming suppliers.
- 6.4. Collaborate with other jurisdictions to leverage best practices, realize economies of scale, and advance Alberta's gaming industry.
- 6.5. Protect revenue streams by maintaining all gaming central systems, distributed infrastructure and gaming devices with the highest levels of integrity and availability.
- 6.6. Enhance product offerings by investing in high performing games and devices.
- 6.7. Maintain the security and control of gaming cash collections, treasury functions and payments.
- 6.8. Develop distribution channels to reflect player expectations and the views and values of Albertans.
- 6.9. Increase cross-jurisdictional collaboration to cost effectively leverage gaming products and service opportunities.
- 6.10. Review the Alberta charitable gaming model to ensure that it remains effective and efficient so charities and Albertans receive benefits from gaming.
- 6.11. Deliver services to stakeholders through the most appropriate delivery channel(s) to enhance customer service (with a preference to online service delivery).
- 6.12. Invest in innovation and modernize gaming technology to transform the gaming experience (including the enhancement of responsible gaming tools) and sustain revenues.
- 6.13. Invest in research and analysis to develop a player-focused gaming environment.

Performance Measures:

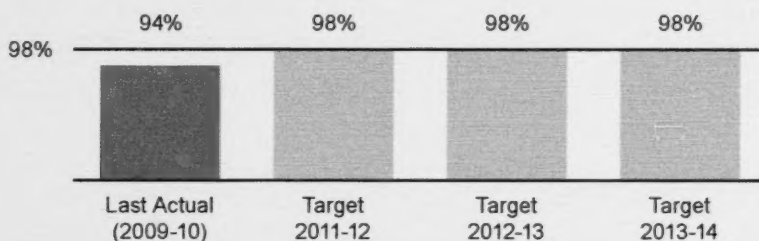
6.a. Gaming net revenue (thousands of dollars).



6.b. Percentage of Albertans satisfied with the availability of gaming products and activities.



6.c. Percentage of retailers satisfied with AGLC services related to VLTs, slot machines, electronic bingo and ticket lotteries.



Supporting Core Businesses and Corporate Objectives

Strategies:

Commitment to Employees

- a. Explore opportunities to foster a healthy balance between employees' professional commitments and their personal lives.
- b. Conduct employee surveys and implement changes where possible.
- c. Ensure employees have access to workplace wellness programs.
- d. Monitor emerging human resource trends, such as an aging workforce, changing attitudes and expectations, changing technology and skill requirements, and proactively address them.
- e. Attract, motivate and retain the right skill mix to achieve the organization's current and future business objectives.
- f. Provide opportunities for continuous learning to ensure the organization has the knowledge, skills and abilities to meet current business objectives and future challenges and to ensure the continuity of operations through performance and career planning.
- g. Ensure performance goals of individual employees are aligned with those of the organization and ensure effective employee recognition practices are in place.
- h. Explore additional human resource practices that may be unique within the Public Service.

Corporate Framework

- a. Maintain financial management and reporting and payroll.
- b. Anticipating changes to our environment and their impact by conducting environmental scans on trends and issues affecting the gaming and liquor industries.
- c. Lead the development of policy options and recommendations as well as integrated strategic, business, and operational plans, performance measures, risk assessments and the requirement for strategic information.
- d. Procure goods and services, fairly, effectively and efficiently.
- e. Maximize utilization, maintenance and operations of facilities.
- f. Continue to enhance the corporate business resumption plan.
- g. Administer the Alberta Lottery Fund, including liaising with Government Ministries in the development of Lottery Fund estimates.
- h. Work with partners and research organizations to ensure research into priority areas is conducted and findings are evaluated.
- i. Pursue a corporate approach to information management.
- j. Implement effective policies to enhance the AGLC's management of corporate information.
- k. Implement the results of the Procurement and Supply Chain Management Review.

Corporate Social Responsibility

- a. Ensure beverage container management within the liquor industry is conducted according to the Beverage Container Recycling Regulation.
- b. Continue to implement and manage activities that promote energy conservation and reduce the AGLC's carbon footprint.
- c. Continue to support various community activities through the donation of surplus supplies and equipment and staff contributions.
- d. The AGLC will continue to integrate additional corporate social responsibility activities into its operations.

Information Technology

- a. Identify and adopt technology improvements that enhance current business requirements.
- b. Investigate emerging technologies to meet the growing and changing business requirements of the organization.
- c. Provide 24 x 7 x 365 Data Centre services.
- d. Implement and maintain AGLC software, hardware, network, and telecommunications services.
- e. Ensure that risk assessment is a primary consideration in every technology implementation.
- f. Research and implement advanced network security measures to protect the computer assets of the AGLC.
- g. Ensure effective asset management for computer equipment in AGLC offices and at gaming retailer sites.
- h. Transition to a modern software development environment based on industry standard technologies.
- i. Ensure a corporate IT control framework meets the applicable objectives.
- j. In response to requirements identified by business, expand the use of AGLC's Enterprise Resource Planning system, automating business processes wherever possible.

Communicating

- a. Provide Albertans, key stakeholder groups and staff with up-to-date information on AGLC programs and initiatives through a variety of communication vehicles including websites, news releases and fact sheets.
- b. Liaise with local, provincial and national media.
- c. Respond in a timely manner to Albertans' comments and concerns.

Statement of Operations

(Thousands of dollars)	Comparable			2011-12	2012-13	2013-14
	2009-10	2010-11	2010-11			
	Actual	Budget	Forecast	Budget	Target	Target
NET REVENUE						
Gaming Operations						
Video Lottery Terminal	511,167	496,864	506,864	515,057	524,361	551,788
Casino Gaming Terminal	831,457	773,751	823,751	862,609	890,580	919,047
Ticket Lottery	254,872	262,797	262,797	264,236	266,769	266,697
	1,597,496	1,533,412	1,593,412	1,641,902	1,681,710	1,737,532
Liquor Operations						
Liquor	724,333	709,700	699,700	731,009	741,974	753,104
Other Income	11,829	14,394	14,394	15,107	15,107	15,107
Total Net Revenue	2,333,658	2,257,506	2,307,506	2,388,018	2,438,791	2,505,743
EXPENSE						
Gaming operations	192,704	241,296	221,296	253,434	271,795	287,247
Liquor operations	20,357	26,964	26,964	27,885	28,200	28,610
Total Expense	213,061	268,260	248,260	281,319	299,995	315,857
NET OPERATING RESULTS	2,120,597	1,989,246	2,059,246	2,106,699	2,138,796	2,189,886

Contact Information

For additional copies of this business plan check the AGLC's website at aglc.ca or contact:

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780-447-8600 1-800-272-8876	403-292-7300 1-800-372-9518	780-832-3000	403-331-6500	403-314-2656
(Dial 310-000 for toll free access)				